INVESTMENT CLIMATE STATEMENT 2018

Executive Summary

Since regaining its independence in 2006, Montenegro has adopted a legal framework that encourages privatization, employment, and exports. Implementation, however, lags well behind the legal structure, and the Montenegrin economy continues to flounder on a very narrow tax base and a band of three developing sectors: tourism, energy, and to a lesser extent, agriculture. Montenegro has one of the highest public debt to GDP ratios in the region, currently at 65.9 percent, with a forecast, absent fiscal consolidation, to increase to 80 percent once the repayment to China's Ex/Im Bank of a EUR 800 million (approximately USD 987 million, EUR 1=USD 1.23) highway loan begins. The World Bank and the IMF have been assisting the government in implementing measures to control the debt. The government has identified fiscal consolidation as its most important goal and has implemented some unpopular fiscal measures during 2017, including a Value Added Tax (VAT) increase from 19 percent to 21 percent and variable excise taxes on tobacco products and soft drinks. The economic growth rate in 2017 was the highest in the region (fifth in Europe) at 4.2 percent, while the unemployment rate fell to 15 percent. Despite regulatory improvements, official corruption remains a major concern. Montenegro ranks 64th out of 180 countries surveyed in Transparency International's (TI) 2017 "Corruption Perception Index."

As a candidate country on its path to joining the European Union (EU), Montenegro is making steady progress in opening negotiating chapters with the EU. Out of 35 chapters, three are provisionally closed, 30 are opened, and it is expected that the remaining five will be opened in 2018. Montenegro joined NATO in June 2017.

As noted above, Montenegro's economy is centered on three sectors, with the government largely focusing its efforts on developing those same sectors: tourism, energy, and agriculture.Due in large part to its 300 km-long coastline and a spectacular mountainous region in the country's north, the thriving tourism sector accounts for almost 25 percent of GDP. Government sales of formerly state-owned land have spurred a wave of foreign investment in large-scale tourism and hospitality centers. However, bureaucratic gridlock has left many of these projects on hold. No one country dominates foreign direct investments, and the most significant investments have come from Italy, Russia, Serbia, and Cyprus, with new interest coming from the United Arab Emirates, Azerbaijan, China, and the United States.

In the energy sector, the government is building an underwater electric transmission cable to Italy, which will export renewable energy to the continent starting in 2018. Additionally, there are several ongoing conventional energy projects around the country, including restructuring of the existing block of the thermal plant in Pljevlja and possible development of the second block of the thermal plant in Pljevlja and a number of small-scale hydroelectric projects. In late 2013, Montenegro invited international oil and gas companies to bid on licenses to explore its offshore coast, based on seismic data showing favorable conditions for hydrocarbon deposits off Montenegro's deep-water coast. The Montenegrin government has signed the concession agreements with two consortiums: the Italian-Russian consortium Eni/Novatek for four blocks and the Greek-British consortium Energean oil/Mediterranean oil and gas for one block. It is expected that the exploration will start in the beginning of 2019, and several more licensing rounds are foreseen by 2020 for additional exploration blocks.

Montenegro's temperate climate supports a nascent agro-production industry; however, the country continues to be dependent on imports of food products from neighboring countries owing to the economies of scale. The exception is the local wine industry, with the government-owned "Plantaze" being a leading regional producer and exporter to Europe, China, and the United States.

Table 1

Measure	Year	Index /Rank	Website Address
TI Corruption Perceptions Index	2017	64 of 180	http://www.transparency.org/research/cpi/overview
World Bank's Doing Business Report	2017	42 of 191	http://www.doingbusiness.org/rankings
Global Innovation Index	2017	48 of 127	https://www.globalinnovationindex.org/analysis-indicator
U.S. FDI in partner country (M USD , stock positions)	2016	USD 1	http://www.bea.gov/international/factsheet
World Bank GNI per capita	2016	USD 7,120	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

1. Openness To, and Restrictions Upon, Foreign Investment

Policies towards Foreign Direct Investment

Montenegro regained its independence in 2006, and, since then, the country has adopted an investment framework that in principle encourages growth, employment, and exports. Montenegro, however, is still in the process of establishing a liberal business climate that fosters foreign investment and local production. The country remains dependent on imports from neighboring countries despite its significant potential in some areas of agriculture and food production. Although the continuing political transition has not yet eliminated all structural barriers, the government generally recognizes the need to remove impediments in order to remain competitive, reform the business environment, open the economy to foreign investors, and attract further FDI.

In general, there are no distinctions made between domestic and foreign-owned companies. Foreign companies can own 100 percent of a domestic company, and profits and dividends can be repatriated without limitations or restrictions.

Foreign investors can participate in local privatization processes and can own land in Montenegro generally on the same terms as locals. Expropriation of property can only occur for a "compelling public purpose" and compensation must be made at fair market value. There has been no known expropriation of foreign investments in Montenegro. International arbitration is allowed in commercial disputes involving foreign investors.

Registration procedures have been simplified to such an extent that it is possible to complete all registration processes online. In addition, bankruptcy laws have been streamlined to make it easier to liquidate a company; accounting standards have been brought up to international norms; and custom regulations have been simplified. There are no mandated performance requirements.

Montenegro has enacted specific legislation outlining guarantees and safeguards for foreign investors. Montenegro has also adopted more than 20 other business-related laws, all in accordance with EU standards. The main laws that regulate foreign investment in Montenegro are: the Foreign Investment Law; the Enterprise Law; the Insolvency Law; the Law on Fiduciary Transfer of Property Rights; the Accounting Law; the Law on Capital and Current Transactions; the Foreign Trade Law; the Customs Law; the Law on Free Zones; the Labor Law (which is currently undergoing amendment to make personnel decisions more efficient); the Securities Law; the Concession Law, and the set of laws regulating tax policy. Montenegro has taken significant steps in both amending investment-related legislation in accordance with global standards and creating necessary institutions for attracting investments. However, as is the case with other transition countries, implementation and enforcement of existing legislation remains weak and inconsistent.

While Montenegro has taken steps to make the country more open for foreign investment, some deficiencies still exist. The absence of fully developed legal institutions has fostered corruption and weak controls over conflicts of interest. The judiciary is still slow to adjudicate cases, and court decisions are not always consistently reasoned or enforced. Montenegro's significant grey economy impacts its open market, negatively affecting businesses operating in accordance with the law. Favorable tax policies established at the national level are often ignored at the municipal level.

To better promote investment and foster economic development, the government established the Montenegrin Investment Promotion Agency (MIPA) in mid-2005. It seeks to promote Montenegro as a competitive investment destination by actively facilitating investment projects in the country.

Inquiries on investment opportunities in Montenegro can be directed to:
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Both the Privatization and Capital Project Council and the Secretariat for Development Projects promote investment opportunities in the different sectors of the Montenegrin economy, primarily in the tourism, energy, technology, and agricultural sectors. These institutions maintain an ongoing dialogue with investors already present in Montenegro in order to support their activities. At the same time, they seek to promote future projects and attract new investors to do business in Montenegro.

Limits on Foreign Control and Right to Private Ownership and Establishment
Montenegro's Foreign Investment Law, which was adopted by the Parliament in March 2011, establishes the framework for investment in Montenegro. The law eliminates previous investment restrictions, extends national treatment to foreign investors, allows for the transfer and repatriation of profits and dividends, provides guarantees against expropriation, and allows for customs duty waivers for equipment imported as capital-in-kind.

There are limits neither on foreign control and right to private ownership nor in establishing companies in Montenegro. There are no institutional barriers against foreign investors, including U.S. businesses, and there is no screening mechanism for inbound foreign investment.

Other Investment Policy Reviews
In the past three years, the government has not undergone any third-party investment-policy reviews through a multilateral organization.

Business Facilitation
The Central Register of the Commercial Court (CRPS) is responsible for business registration procedures (www.crps.me). The court maintains an electronic database of registered business entities, and contracts on financial leasing and pledges. The process to register a business in Montenegro takes an average of 4-5 working days. The minimum financial requirement for a Limited Liability Company (LLC) is just EUR 1 (approximately USD 1.2), and three documents are required: a founding decision, bylaws, and a copy of the passport (if an individual is founding a company) or a registration form for the specific type of company. Samples of all documents are available for download at the CRPS website.

Montenegrin law permits the establishment of six types of companies: entrepreneur, limited liability company, joint stock company, general partnership, limited partnership, and part of a foreign company . Details regarding the definitions and requirements for each type of company are as follows:

Entrepreneur: If an entrepreneur wants to conduct business under a different name it is necessary to register a company in the CRPS and he/she needs to present:

- Personal identification card
- Completed registration form
- Registration fee of EUR 10 (USD 12.30)
- Administrative fee of EUR 12 (USD 14.80) for announcement in the Official Gazette
- Note: There is no minimum capital requirement

Limited liability company

- For companies of 1-30 members
- Founding Act (The Foundation Agreement)
- Contract of decision of the company's foundation (The Charter)
- Minimum capital requirement of EUR 1 (USD 1.23)
- Registration fee of EUR 10 (USD 12.30)
- Administrative fee of EUR 12 (USD 14.80) for announcement in the Official Gazette

Joint stock company

- Founding Act (The Foundation Agreement)
- Contract of decision of the company's foundation (The Charter)
- List of names of all board members and managers
- Decision of the Securities Commission approving the prospectus for the public offering of shares
- Minimum capital requirement of EUR 25,000 (USD 30,840)
- Completed registration form
- Registration fee of EUR 50 (USD 61.70)
- Administrative fee of EUR 12 (USD 14.80) for announcement in the Official Gazette

General partnership

- For companies with two or more members
- Completed registration form
- Registration fee of EUR 10 (USD 12.30)
- Note: There is no minimum equity requirement

Limited partnership

- For companies with two or more members
- Completed registration form
- Registration fee of EUR 10 (USD 12.30)
- Note: There is no minimum equity requirement

Part of a foreign company (Foreign company branch)

- An authenticated copy of the charter of the foreign company and a translation of the charter in the Montenegrin language duly certified as a true and correct translation
- Registration certificate from the home country and relevant financial reports
- Completed registration form
- Registration fee of EUR 10 (USD 12.30)
- Note: There is no minimum equity requirement

After fulfilling all these requirements, it is necessary to open a bank account. Once a bank account is established, the company reports to the tax authority in order to receive a PIB (taxation identification number) and VAT number (Value Added Tax).

For classification of companies by size, based on number of employees, the government's definition is as follows: (i) small enterprises (from one to 49 employees), (ii) medium-sized enterprises (from 50 to 249) and (iii) large enterprises (more than 250 employees).

Outward Investment
While the Montenegrin government is very active in attracting and inviting foreign investors to do business in Montenegro, the government is not as dedicated to promoting outward investments.

There are no government restrictions to domestic investors for their investments abroad.

2. Bilateral Investment Agreements and Taxation Treaties

In December 2006, Montenegro signed the Central European Free Trade Agreement (CEFTA) intended to eliminate all customs restrictions for industrial and agricultural products in member states by 2010. Montenegro's Parliament ratified CEFTA in 2007; the agreement also came into effect concurrently in Albania, Macedonia, Moldova, and Kosovo. Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia, and Slovenia were already parties to the agreement.

As a member of the CEFTA, Montenegro's trade policy within the CEFTA legal framework is aimed at eliminating obstacles to trade within the region consisting of seven CEFTA signatory countries. At the CEFTA Ministerial meeting held on May 26, 2017, in Belgrade, CEFTA Additional Protocol 5 was adopted. The primary objective of Protocol 5 is harmonization and simplification of the export and import procedures and reduction of the time taken for the release of goods at the border, which were identified by the business community as the key problems. The Parliament of Montenegro ratified the CEFTA Additional Protocol 5 in December 2017. Recognizing the significance of trade in services, Montenegro took part in the negotiations within CEFTA regarding Additional Protocol 6, which is designed to expand the liberalization achieved in the trade in goods to services.

A Free Trade Agreement (FTA) with the European Free Trade Association (EFTA) countries (Switzerland, Norway, Iceland, and Liechtenstein) was signed in November 2011. Although the four EFTA countries are small, they are the world leaders in several sectors vital to the global economy. Liechtenstein and Switzerland are internationally renowned financial centers and hosts to major companies and multinationals, while Iceland and Norway have highly developed fish production, metal production, and maritime transport sectors.

Montenegro has not signed a Bilateral Investment Treaty (BIT) with the United States.

The United States restored Normal Trade Relations (Most-Favored Nation status) to Montenegro in December 2003. This status provides improved access to the U.S. market for goods exported from Montenegro. Montenegro has also been designated as a beneficiary developing country under the U.S. Generalized System of Preferences (GSP) program, which provides duty-free access to the U.S. market in various eligible categories, including jewelry, ores, stones, and various agricultural products. The GSP program expired on December 31, 2017, however, on March 23, 2018, President Trump signed the legislation reauthorizing the GSP program through December 31, 2020. There is a 30-day lead time, making April 22, 2018, the effective date of the reauthorization. GSP-eligible products may enter the United States duty-free on and after April 22, 2018. Because the GSP program's reauthorization is retroactive, importers may seek refunds of duties paid during the lapse of GSP authorization.

Other Free Trade Agreements

In addition to the Stabilization and Association Agreement, which defines the framework of relations between the EU and the Western Balkan countries for the implementation of the Stabilization and Association Process (i.e. enlargement), Montenegro has Free Trade Agreements with the following non-EU Members: the Russian Federation (signed on August 28, 2000, in Belgrade and entered into force on May 19, 2001), Turkey (signed on November 26, 2008, in Istanbul and entered into force on March 1, 2010) and Ukraine (signed on November 18, 2011, in Kiev and entered into force on January 1, 2013). Additional information on FTAs can be found at the link below:

(http://www.mek.gov.me/en/WTO/LIBRARY/free_trade?alphabet=lat)

Bilateral Taxation Treaties

Montenegro does not have a double taxation treaty with the United States. The country has signed 46 taxation treaties with various countries on income and property, which regulate double taxation. Presently, 44 of those treaties are in force, specifically with Albania, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, China, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, Hungary, Italy, Ireland, India, Korea, Kuwait, Latvia, Macedonia, Malaysia, Moldova, Malta, Holland, Norway, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, Sri Lanka, Sweden, Switzerland, Turkey, Ukraine, United Kingdom, and the United Arab Emirates. Treaties with Spain and Qatar are pending.

On March 1, 2018, Montenegro's Parliament approved the Foreign Account Tax Compliance Act (FATCA) agreement between the governments of Montenegro and the United States. Implementation of FATCA will help the countries better track and report tax evasion.

Investment Treaties

Investment treaties seek to ensure a stable framework for investment and better use of economic resources. They define the conditions for investments, allowing free transfer of funds, the right of subrogation, compensation in the event of expropriation and settlement of disputes between investors and countries, including the settlement of disputes between the countries themselves.

Montenegro has 23 BITs in force with the following countries: Austria, Czech Republic, Finland, Denmark, Malta, France, Germany, Poland, Greece, Netherlands, Spain, Cyprus, Lithuania, Slovakia, Romania, the Republic of Serbia, Qatar, Macedonia, Azerbaijan, the United Arab Emirates, Moldova, Israel, and Switzerland. Additional information can be found at the link below:

(http://www.mek.gov.me/sto/biblioteka/ts_ostali/sporazumi_o_zastiti)

3. Legal Regime

Transparency of the Regulatory System

The main law governing foreign investment, the Montenegrin Law on Foreign Investment, is based on the national treatment principle, which is a basic principle of GATT/WTO that prohibits discrimination between imported and domestically produced goods with respect to internal taxation or other government regulation.

All proposed laws and regulations put forth by the government are published in draft form and open for public comment, generally for a 30-day period.

Regulations are often applied inconsistently, particularly at the municipal level. Many regulations are in conflict with other regulations, or are ambiguous, creating confusion for investors. As noted in the American Chamber of Commerce's (AmCham) 2016 Business Climate Survey, many municipalities lack adequate detailed urban plans, making the process to obtain construction permits lengthy and complex. Some municipalities have made efforts to speed up procedures in order to improve the business environment for investors. While at the national level there are fewer obstacles for investments and other activities, many larger-scale projects involve both local and national authorities, and it is often necessary to work with both administrations in order to complete a project.

Foreign investors are subject to the same conditions as domestic investors when it comes to establishing a company and making an investment. There are no other regulations in place which might deprive a foreign investor of any rights or limit the investor's ability to do business in Montenegro. The Law of Foreign Investments is currently fully harmonized with World Trade Organization (WTO) rules.

On January 22, 2004, the Parliament established an Energy Regulatory Agency, which maintains authority over the electricity, gas, oil, and heating energy sectors. Its main tasks include approving pricing, developing a model for determining allowable business costs for energy sector entities, issuing operating licenses for energy companies and for construction in the energy sector, and monitoring public tenders. The energy law mandates that in the energy sectors, when prices are affected by monopoly positions of some participants, business costs will be set at levels approved by the Agency. In those areas deemed to function competitively, the market will determine prices. The price of gasoline is set nationally every two weeks and is uniform across all petrol stations.

The Agency for Electronic Communication and Postal Services was established by the government in 2001. It is an independent regulatory body whose primary purpose is to design and implement a regulatory framework and to encourage private investment in the sector.

While there is a full legal and regulatory infrastructure in place to conduct public procurement, U.S. companies have complained in numerous cases about irregularities in the procurement process at the national level, and maintain there is an inability to meaningfully challenge decisions they believe were erroneously taken through the procurement apparatus. In other cases, the system delivers appropriate outcomes, though in a complex and time-consuming way.

Public procurement is conducted jointly by the Public Procurement Directorate, the Ministry of Finance (as the main line ministry for the procurement area), and the State Commission for Control of Public Procurement Procedures in the protection of rights area. The Public Procurement Directorate began operations in June 2007 while the State Commission for the

Control of Public Procurement Procedures Control was established in 2011. The State Commission takes decisions in the form of written orders and conclusions made at its meetings. The decisions are made by a majority of present members. The State Commission's Rules of Procedure specify the method for this work. The Law of Public Procurement entered into force in 2011. The Administrative Court oversees cases involving public procurement procedures.

The Montenegro State Audit Institution (SAI) is an independent supreme audit institution for verification of the entire government's financial statements, including state-owned enterprises. The audits are made publicly available on the SAI's website. Accounting standards implemented in Montenegro are transparent and consistent with international norms. In addition, there are various international companies that conduct accounting and auditing procedures are present in the country.

International Regulatory Considerations

Montenegro is a candidate country for membership to the EU, with accession negotiations launched on June 29, 2012. Out of 35 chapters, three are provisionally closed, 30 are opened, and it is expected that the remaining five will be opened in 2018. Montenegro is currently taking steps to harmonize its regulations and accepted best practices with those of the EU, as part of the negotiation process.

The government has not notified the WTO of any measures that are inconsistent with the WTO's Trade Related Investment Measures (TRIMs), nor have there been any independent allegations that the government maintains any such measures.

Legal System and Judicial Independence

Montenegro's legal system is of a civil, continental type based on Roman law. It includes the legal heritage of the former Yugoslavia, and State Union of Serbia and Montenegro. As of 2006, when the country regained its independence, Montenegrin codes and criminal justice institutions were applicable and operational. Montenegro's Law on Courts defines a judicial system consisting of three levels of courts: Basic, High, and the Supreme Court. Montenegro established the Appellate Court and the Administrative Court in 2005 for the appellate jurisdiction in criminal and commercial matters, and specialized jurisdiction in administrative matters. The specialized Commercial Courts have first instance jurisdiction in commercial matters.

The Basic Courts have first instance jurisdiction in civil cases and criminal cases in which a prison sentence of up to 10 years is possible. There are 15 Basic Courts for Montenegro's 23 municipalities. Two High Courts in Podgorica and Bijelo Polje have appellate review of municipal court decisions. The High Courts also decide on jurisdictional conflicts between the municipal courts. They are also first instance courts for serious crimes where prison sentence of more than 10 years is specified. The Podgorica High Court has specialized judges and departments who deal with organized crime, corruption, war crimes, money laundering, and terrorism cases.

According to the Law on Courts, there is just one Commercial Court based in Podgorica. The Commercial Court has jurisdiction in the following matters: all civil disputes between legal entities, shipping, navigation, aircraft (except passenger transport), and disputes related to registration of commercial entities, competition law, intellectual property rights (IPR), bankruptcy, and unfair trade practices. The High Court hears appeals of Basic Court decisions, and High Courts' first instance decision may be appealed to the Appellate Court. The Appellate Court is a second instance court for decisions of the Commercial Courts. The Supreme Court is the third (and final) instance court for all decisions. The Supreme Court is the court of final judgment for all civil, criminal, commercial, and administrative cases, and it acts only upon irregular (i.e. extraordinary legal remedies). There is also the Constitutional Court of Montenegro, which checks constitutionality and legality of legal acts and acts upon constitutional complaints in relation to human rights violations.

The Commercial Court system faces challenges, including weak implementation of legislation and confusion over numerous changes to existing laws; development of a new system of operations, including electronic communication with clients; and limited capacity and expertise among the judges as well as a general backlog in cases.

Over the last several years, the adoption of 20 new business laws has significantly changed and clarified the legislative environment. Recently adopted legislative reforms are expected to improve the efficiency and effectiveness of court proceedings, a trend which is already visible through the introduction of the Public Enforcement Agents.

Laws and Regulations on Foreign Direct Investment

In order to attract foreign investment, the government established the Montenegrin Investment Promotion Agency (MIPA) (www.mipa.co.me), the Privatization and Capital Investment Council (www.savjetzaprivatizaciju.me/en), and the Secretariat for Development Projects (www.srp.gov.me). These organizations aim to promote Montenegro's investment climate and opportunities in the local economy, with particular regard for the tourism, energy, infrastructure, and agriculture sectors.

Competition and Anti-Trust Laws

In February 2013, the Agency for Protection of Competition was established as a functionally independent entity with the entry into force of the Law on Protection of Competition and following its registration with the Central Register of Economic Entities. The area of free market competition, regulated by the law, represents the area that has direct and significant impact on economic development and investment activity, by raising the level of the quality of goods and services, thus creating the conditions for lower prices and creation of a modern, open market economy. This, in turn, provides Montenegro with the possibility to participate in the single market of the EU and in other international markets.

Expropriation and Compensation

Montenegro provides legal safeguards against expropriation with protections codified in several laws adopted by the government. There have been no cases of expropriation of foreign investments in Montenegro. However, Montenegro has outstanding claims related to property nationalized under the Socialist Federal Republic of Yugoslavia; several of these unresolved cases involve U.S. citizens.

At the end of August 2007, Parliament passed the new Law on Restitution, which supersedes the 2004 Act. In line with the law, three review commissions have been formed: one in Bar (covering the coastal region); one in Podgorica (for the central region of Montenegro); and one in Bijelo Polje (for the northern region of Montenegro). The basic restitution policy in Montenegro is restitution in kind, when possible, and cash compensation or substitution of other state land when physical return is not possible.

In addition, Montenegro provides safeguards from expropriation actions through its Foreign Investment Law. The law states that the government cannot expropriate property from a foreign investor unless there is a "compelling public purpose" established by law or on the basis of the law. If an expropriation is executed, compensation must be provided at fair market value plus one basis point above the London Interbank Offered Rate (LIBOR) rate for the period between the expropriation and the date of payment of compensation.

Dispute Settlement

ICSID Convention and New York Convention

Montenegro ratified its ICSID Convention membership on April 2013, and the country fully enforces the Convention.

Investor-State Dispute Settlement

The U.S. Embassy is aware of an ongoing investment dispute involving an American company in Montenegro. Additionally, there are a number of individual American investors involved in public procurement and construction cases that are in various stages of dispute resolution with the government.

International Commercial Arbitration and Foreign Courts

Dispute resolution is under the authority of national courts, but it can also fall under the authority of international courts if the contract so designates. Accordingly, Montenegro allows for the possibility of international arbitration. Various foreign companies have other bilateral and multilateral organizations providing risk insurance against war, expropriation, nationalization, confiscation, inconvertibility of profit and dividends, and inability to transfer currency; these are the Multilateral Investment Guarantee Agency (MIGA of the World Bank), U.S. Overseas Private Investment Corporation (OPIC), U.K. Exports Credit Guarantee Department (ECGD), Slovenia Export Corporation (SID), Italian Export Credit Agency (SACE), French Export Credit Agency (COFACE), and Austrian Export Financing Group (OEKB). In 2012, Montenegro became a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID Convention).

Montenegro has taken steps to improve court-system inefficiencies, which frequently result in long and drawn-out trials. Procedural laws have been amended in the last few years to improve efficiency of the proceedings in line with the standards of the European Convention of Human Rights. It should be noted that most complaints that go to the European Court of Human Rights against Montenegro concern Article 6 of the Convention – the right to a fair trial in a reasonable time. Civil appellate procedures have been simplified as part of an effort to eliminate the possibility of long appellate procedures, which was common in the past. (There is now just one possibility for cancelling the first instance court judgment and sending the case for retrial by the second instance court.) In addition, Montenegro has passed the Law on the Protection of the Right to a Fair Trial in a Reasonable Time, which enables the court to award compensation for an excessively long trial and introduces a series of controlling mechanisms during the trial itself.

In 2011, Montenegro adopted the Law on Public Bailiffs, which subsequently improved the procedure to enforce civil judgments.

Bankruptcy Regulations
The Bankruptcy Law, adopted in January 2011, mandates that debtors are designated insolvent if they cannot meet financial obligations within 45 days of the date of maturity of any debt obligation. The Foreign Trade Law decreases barriers for doing business and executing foreign trade transactions and is in accordance with WTO standards. However, the law still offers some latitude for restrictive measures and discretionary government interference.

4. Industrial Policies

Investment Incentives
The Montenegrin government offers financial incentives to investors based on the value of their investment. Both Montenegrin and foreign entities or investors can benefit from these investment incentives.

As part of its efforts to attract investment, the government adopted the Decree on Direct Investment Incentives, with a goal to improve the business climate in Montenegro and stimulate economic growth through increased inflow of direct investments and job creation. For investments greater than EUR 500,000 (approximately USD 617,280) that create at least 20 new jobs within three years from the date of signing the incentive agreement, both domestic and foreign investors can apply for cash grants in the amount of EUR 3,000-10,000 (approximately USD 3,700-12,345) per every new job created. For investments in the North and Central region (except for the capital Podgorica), the minimum investment is EUR 250,000 (approximately USD 380,640) with a threshold of creating 10 new jobs. For capital investments greater than EUR 10 million (approximately USD 12.3 million) that create at least 50 new jobs, incentives can be awarded in the amount of up to 17 percent of the investment value. The Decree also provides for refunds on infrastructure development costs incurred in the process of completing the investment project. The exact amount of the incentives is determined in accordance with the criteria defined in the Decree. The decision on the incentive award is approved by the government and the funds are payable in three equal installments.

The incentive program is administered by the Secretariat for Development Projects and additional information regarding the program can be found on the Secretariat's website.

The government also offers, in the partnership with local municipalities, some incentives through business zones, which exist in several cities outside the capital.

Foreign Trade Zones/Free Ports/Trade Facilitation
In June 2004, Montenegro adopted the Law on Free Zones, which offers businesses benefits and exemptions from custom duties, taxes, and other duties in specified free trade zones. The Port of

Bar is currently the only free trade zone in Montenegro. All free zone users have many benefits provided by the law and other regulations (import free of customs duties, customs fees and VAT; storage of goods in a duty free regime for an unlimited period of time; low corporate tax, simplified procedures) in addition to the use of infrastructure, port handling services, and telecommunication services.

All regulations relating to free trade zones are in compliance with EU legal standards. Complete equality has been guaranteed to foreign investors in reference to ownership rights, organizing economic activities in the zone, complete free transfer of profit and deposit, and the security of investments.

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Performance and Data Localization Requirements

The government does not impose any performance requirements as a condition for establishing, maintaining, or expanding an investment. There is a defined package of incentives offered to foreign investors, including duty exemptions for imported equipment.

AmCham Montenegro and the Foreign Investors' Council announced that Montenegro has improved and liberalized its business environment due to amendments to the Law on Foreigners. This law addressed previous requirements placed on hiring practices. According to revisions to the law, businesses no longer need to prove that there are no local citizens of the required vocational profile that are available for a particular job before the company decides to hire a foreigner.

The government does not use "forced localization," the policy in which foreign investors must use domestic content in goods or technology. The only exception is an agreement with a Chinese company that is constructing the country's first national highway. The agreement for this project, which is currently the largest infrastructure project in Montenegro, requires that 30 percent of the labor contract be engaged locally.

5. Protection of Property Rights

Real Property

In July 2002, Montenegro enacted the Law on Secured Transactions and established a collateral registry at the Commercial Court in May 2003. The registry's operational guidelines have been drafted and approved by the Commercial Court. The main goal of the Law on Secured Transactions is to establish a clear and transparent framework for property transactions. In August 2004, Montenegro adopted a new Law on Mortgages by which immovable property may be encumbered by security interest (mortgage) to secure a claim for the benefit of a creditor who is authorized, in the manner prescribed by the law, to demand satisfaction of the claim by foreclosing the mortgaged property with priority over creditors who do not have a mortgage created on that particular property, as well as over any subsequently registered mortgage, regardless of a change in the owner of the encumbered immovable property. The Real Estate Administration has taken progressive steps over the last few years to improve the quality and service provided in the registry, though additional improvements are needed. The World Bank's Doing Business Report ranked Montenegro 78th out of 190 on the ease of registering property.

Intellectual Property Rights (IPR)

The acquisition and disposition of IPR are protected by the Law on the Enforcement of Intellectual Property Rights, which entered into force on January 1, 2006. The law provides for fines for legal entities of up to EUR 30,000 (approximately USD 37,000) for selling pirated and/or counterfeited goods. It also provides ex-officio authority for market inspectors in the areas mentioned above. An additional set of amendments to the existing Law on the Enforcement of Intellectual Property Rights were adopted over the last several years (beginning in 2006) in line with the EU regulations, and it is expected to bring more efficiency in implementation as well as a multifunctional approach to property-rights protection. In April 2005, the Montenegrin Parliament adopted the Regulation on Trade-Related Aspects of Intellectual Property Rights (TRIPs) Border Measures that provides powers to customs authorities to suspend customs procedures and seize pirated and counterfeit goods. Statistics on seizures of counterfeit goods is published by the Customs Administration and available on their webpage www.upravacarina.gov.me.

Montenegro's Penal Code penalizes IPR violations, allows ex-officio prosecution, and provides for stricter criminal penalties; however, copyright violation is a significant problem in the outerwear and apparel market, and unlicensed software can be easily found on the general market. The Law on Optical Disks was adopted in December 2006; it requires the registration of business activity when reproducing optical disks for commercial purposes and provides for surveillance of optical disk imports and exports, as well as imports and exports of polycarbonates.

The Montenegrin Intellectual Property Office is the competent authority within the state administration system for the activities related to industrial property rights, copyrights, and related rights. The Intellectual Property Office was established under the Regulation on Organization and Manner of Work of the State Administration, dated May 11, 2007, (''Official Gazette of the Republic of Montenegro,'' No. 25/07) and officially started working on May 28, 2008.

A regulation on the recognition of IPR was adopted in September 2007. Under this regulation, any rights registered with the Union Intellectual Property Office or with the Serbian Intellectual Property Office and any pending applications filed with these offices before May 28, 2008, are enforceable in Montenegro. Any IPR application submitted after that date in Serbia needed to be re-submitted in Montenegro within six months to retain its acquired priority.

IPR market inspectors, police officers, customs officers, and employees of the Ministry of

Economy regularly attend a number of training seminars on intellectual property protection and counterfeiting, including an IPR enforcement workshop hosted by the AmCham and its members. At the end of 2007, the Customs Administration signed a Letter of Intent for acceptance of Standards to be Employed by Customs for Uniform Rights Enforcement (SECURE) Standards, adopted by the World Customs Organization (WCO), to promote the efficient protection of IPR by customs authorities.

Montenegro is not on the Special 301 Watch List. Montenegro is not listed in the notorious market report. However, the sale of pirated optical media (DVDs, CDs, software) as well as counterfeit trademarked goods, particularly sneakers and clothing, is widespread. According to the 2015 joint survey of Business Software Alliance and the International Data Corporation (IDC), the software piracy rate in Montenegro is among the highest in Europe constituting 76 percent of the market, just two percentage points below the 2013 study. Enforcement is slowly improving as customs, police, and judicial authorities obtain the necessary tools, but institutional capacity and public awareness is still limited.

To further improve intellectual property protection, AmCham Montenegro established an IPR Committee in April 2009, which currently operates under the Grey Economy Committee. The main goal of the committee is to work closely with the Montenegrin institutions which deal with IPR, to increase public awareness of the importance of intellectual property protection, and to help the Government of Montenegro strengthen its administrative capacities in this field. More information about the committee's activities can be found on AmCham's website http://www.amcham.me/.

Montenegro became a member of the World Intellectual Property Organization (WIPO) in 2006, with more information available on the WIPO's website
http://www.wipo.int/members/en/details.jsp?country_id=193

Resources for Rights Holders

Contact at the U.S. Embassy in Montenegro:
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Political and Economic Deputy Chief
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6. Financial Sector

Capital Markets and Portfolio Investment

The banking sector in Montenegro is fully privatized, with 15 privately owned banks operating in the country. The banking sector operates under market terms. Foreign investors are able to get credit on the local market, and they have access to a variety of credit instruments since the majority of the banks in Montenegro belong to international banking chains.

The largest foreign investor-banks are OTP (Hungary) operating as CKB in Montenegro, Erste Bank (Austria), NLB (Slovenia), and Societe Generale (France). The remaining, smaller foreign banks do not belong to large international groups. According to Association of Banks of Montenegro and the Central Bank, out of the existing 15 banks, five are large banks with market share over 10 percent, three medium-sized banks with market share between 5-10 percent, and seven are small banks with market share below 5 percent.
A new set of banking laws have been adopted and some of the existing laws have been amended to improve regulation of the banking sector, provide a higher level of depositor safety, and increase trust in the banking sector itself. The Law on the Protection of Deposits has been adopted to bring local legislation on protecting deposits up to European standards. In accordance with the law, a fund for protecting deposits has been established and deposits are guaranteed up to the amount of EUR 50,000 (approximately USD 61,700).

The Government of Montenegro has close cooperation with the IMF (primarily focused on the country's fiscal consolidation), and it respects IMF guidelines on restrictions on payments and transfers of current international transactions.

Until 2010, Montenegro had two stock exchanges. After a successful merger (in 2010), only one stock exchange operates on the capital market under the name of Montenegro Stock Exchange (MSE). In December 2013, the Istanbul Stock Exchange purchased 24.38 percent of the MSE (www.montenegroberza.com). Three types of securities are traded: shares of companies, shares of investment funds, and bonds (old currency savings bonds, pension fund bonds, and bonds from restitution.)

The MSE is organized on the principle of member firms, which trade in their own names and for their own account (dealers) in the name and for the account of their clients (brokers). Members of the MSE can be a legal entity registered as a broker under the Law on Securities provided they meet conditions laid down by the Statute of the Stock Exchange. In addition, members may include banks and insurance companies, once approved by the Commission for Securities to perform stock exchange trade. MSE currently has 11 stock brokers.

Money and Banking System
The Montenegrin banking sector in 2017 was marked by a growth of basic monetary aggregates. The growth of deposits and capital continued with a mild recovery of credit activity. According to Central Bank of Montenegro, the banking sector remained solvent and liquid, with a share of 7.29 percent of non-performing loans. In 2017, banking assets increased, recording a growth of 13.7 percent, and lending activity grew by 8.1 percent in relation to the end of 2016. Deposits grew by 9.3 percent as compared to the end of 2016 while the interest rate dropped to 6.81 percent as a result of increased competition.

Montenegro is one of a few countries that does not belong to the Euro zone but uses the Euro as its official currency (without any formal agreement). Since its authority is limited in monetary policies, the Central Bank, in its role as the state's fiscal agent, has focused on control of the banking system and maintenance of the payment system.

The Central Bank also regulates the process for establishing a bank. A bank can be founded as a joint-stock company and acquire the status of a legal entity by registering in the court register. An application for registration in the court register must be submitted 60 days from when the bank is first licensed.

On March 1, 2018, Montenegro's Parliament approved the Foreign Account Tax Compliance Act (FATCA) agreement between the governments of Montenegro and the United States.

Foreign Exchange and Remittances

Foreign Exchange Policies

The Foreign Investment Law guarantees the right to transfer and repatriate profits in Montenegro. Montenegro uses the Euro as its domestic currency. There are no other limitations placed on the transfer of foreign currency.

Remittance Policies

There are no difficulties in the free transfer of funds exercised on the basis of profit, repayment of resources, or residual assets. The Central Bank of Montenegro publishes statistics on remittances as a proportion of GDP, with the latest data available indicating that in 2017 remittances accounted for approximately 10 percent of GDP.

Sovereign Wealth Funds

There are no sovereign wealth funds in Montenegro.

7. State-Owned Enterprises

Since the beginning of the privatization process in 1999, nearly 90 percent of formerly state-owned enterprises (SOEs) have been privatized. The most prominent SOEs still in operation include the Port of Bar, Montenegro Railways, Montenegro Airlines, Airports of Montenegro, Plantaze Vineyards, and several companies in the tourism industry, including Ulcinjska and Budvanska Rivijera. All of these companies are registered as joint-stock companies, with the government appointing one or more representatives to each board based on the ownership structure. All SOEs must provide an annual report to the government and are subject to independent audits. In addition, SOEs are listed and have publicly available auditing accounts on the Montenegrin Securities Commission's website www.scmn.me. Political affiliation has been known to play a role in job placement in SOEs.

Privatization Program

The privatization process in Montenegro is currently in its final phase. The majority of companies that have not yet been privatized are of strategic importance to the Montenegrin economy and operate in such fields as energy, transport, and tourism.

Further privatization of SOEs should contribute to better economic performance, increase the competitiveness of the country, and enable the government to generate higher revenues (while lowering its outlays), which will enhance capital investments and reduce debts.

The Montenegrin government is the main institution responsible for the privatization process.

The Privatization and Capital Investment Council was established in 1996 to manage, control, and implement the privatization process as well as to propose and coordinate all activities necessary for the non-discriminatory and transparent application process for capital projects in Montenegro. The prime minister of Montenegro is the president of the Privatization and Capital Investment Council.

More information about the council, the privatization process, and the actual privatization plan is available on the council's website http://www.savjetzaprivatizaciju.me/

8. Responsible Business Conduct

While there are several good examples of companies undertaking responsible business conduct (RBC) in Montenegro, practices are still developing and are not adopted evenly across the private sector. The government, together with various business organizations, non-governmental organizations, and the international community, organizes events in order to promote and encourage RBC. Since last year, efforts have focused on introducing the RBC concept in the education system. The promotion of RBC through the media has also been used as an effective tool as the media can play a pivotal role in raising awareness about RBC initiatives.
The concept of corporate social responsibility (a term that preceded RBC) features regularly on the agenda of many companies in Montenegro. The most recent survey showed that large private companies and associations are, indeed, more engaged in RBC activities, whereas small companies cited the lack of knowledge about RBC and the lack of support and interest from clients as the main reasons for not participating.

9. Corruption

Corruption and the perception of corruption are significant problems in Montenegro's public and private sectors. Corruption routinely places high on the list of citizen concerns in opinion polls, in addition to risks cited by foreign investors. Montenegro placed 64th out of 180 countries in the Transparency International (TI) 2017 Corruption Perception Index list.
An improved legal framework to help combat corruption and organized crime has been in force since the adoption of the Law on Prevention of Corruption in 2014 and the Law on the Special State Prosecution in 2015. The government has also taken substantial steps to strengthen the Rule of Law, including the establishment of a special police unit focused on corruption and organized crime, the creation of a new Agency for the Prevention of Corruption, the creation of a new independent Office of the Special State Prosecutor that handles major cases including organized crime and corruption, and the appointment of the Special State Prosecutor. In line with these new laws, the Special Prosecution, the Special Police Team, the Agency for Prevention of Corruption became operational in 2015 and 2016. In 2016, Montenegro's Parliament adopted the Law on the Confiscation of Proceeds from Criminal Activities, which provides for expanded procedures for the freezing, seizure, and confiscation of illicit proceeds. It also authorizes the creation of multi-disciplinary Financial Investigation Teams. The Parliament also adopted the Law on the Center for Training of the Judiciary and State Prosecutor's Office which created a new independent judicial training institute, with greatly

expanded powers and autonomy. In the past two years, the government has achieved some progress on combating official corruption through adoption of important legislation on public procurement, the treasury and budget system, and the courts. Also, there have been a few high-profile corruption prosecutions, including at the levels of local and national governments. The adoption of the Law on Courts has created one centralized Special Department for Organized Crime, Corruption, War Crimes, Terrorism and Money Laundering in the Podgorica High Court. The government encourages state institutions and the private sector to establish internal codes of conduct. They are encouraged to have ethical codes, as well as obliged to have preventive integrity plans.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Montenegro is a signatory to the UN Anti-Corruption Convention. It also succeeded to the OECD Convention on Combatting Bribery, formally signed by the State Union of Serbia and Montenegro prior to Montenegro's independence. To date, no foreign firms have lodged complaints against the government under any of these agreements. A number of U.S. firms have specifically noted corruption as an obstacle to direct investment in Montenegro, and corruption is seen as one of the typical hurdles to be overcome when doing business in the country.

Corruption is most pervasive in Montenegro in the government procurement sector; the purchase and sale of government property takes place in a non-transparent environment with frequent allegations of bribery and cronyism.

Resources to Report Corruption

Contact at government agencies responsible for combating corruption:

Milivoje Katnic
Special Prosecutor for Fighting Organized Crime, Corruption, War Crimes and Terrorism
Office of the Special State Prosecutor
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Sreten Radonjic
Director, Agency for the Prevention of Corruption
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MANS (Network for Affirmation of NGO sector) is a non-governmental organization that fights against corruption and organized crime in Montenegro. They are engaged in investigating concrete cases of corruption and organized crime, monitoring the implementation of legislation and government policy, providing free legal aid to citizens, CSOs, media and businesses, developing law and policy proposals and analysis, and conducting advocacy campaigns.

Name:	Vanja Calovic
Title:	Executive director
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10. Political and Security Environment

Montenegro has a multi-party political system with a mixed parliamentary and presidential system. As a candidate country on its path to join the EU, Montenegro is making steady progress in opening negotiating chapters with the EU. Out of 35 chapters, three are provisionally closed, 30 have been opened. It is expected that the remaining five will be opened in 2018. Montenegro joined NATO in June 2017.

In the October 2016 national parliamentary elections, Montenegro's ruling party won the majority of the votes, and formed a new government on November 28, 2016, in a coalition with four smaller parties. Former Prime Minister Milo Djukanovic relinquished his position, with Dusko Markovic succeeding him as prime minister. The new government has stressed Euro-Atlantic integration as its top priority as well as fiscal consolidation.

Despite the Organization for Security and Cooperation in Europe and Office for Democratic Institutions and Human Rights (OSEC/ODHIR) international election observation mission's report declaring that the parliamentary elections were held in a competitive environment and fundamental freedoms were generally respected, the opposition parties initiated a boycott of the Parliament to protest against the elections. Opposition parties claim that the elections were not free and fair; they are demanding that new elections be held.

Montenegro and the U.S. government share policy goals on investments and cooperate productively in many areas. There is broad support for the strengthening of ties with the United States, especially in the economic and private sector spheres.

In recent months, various parts of Montenegro, including its capital, Podgorica, have experienced a spate of violent car bombings and shootings attributed to organized crime disputes. Through personnel changes and additional resources, the government is taking steps to curb and control the violence.

11. Labor Policies and Practices

Montenegro's total labor force consists of approximately 250,000 people with almost 60,000, or 29 percent, employed in the public sector. With an unemployment level at 16.1 percent (according to the State statistical agency, MONSTAT, in 2017) and the average monthly salary, net of taxes and contributions, at EUR 512 (USD 632) in December 2017, the bloated public sector and the lack of a highly skilled labor pool are cited by foreign investors as challenges facing Montenegro. An AmCham survey of its members found that the lack of skills and qualifications in the Montenegrin labor pool is a significant barrier to investment and operations. According to AmCham, finding skilled middle managers represents a serious challenge for members, and many U.S. firms choose to hire foreigners for these positions. To tackle youth unemployment, Montenegro is prioritizing efforts to improve practical job skills, including English language training. However, university students in Montenegro obtain little or no practical work experience while studying for their Bachelor's degree. It is widely mentioned in business circles that Montenegrin young adults prefer public sector work to private companies, which offer higher salaries.

Over the past few years, employment in private companies has increased, and total employment in the public sector (including SOEs) has decreased. Employment in Montenegro is led by three major sectors: tourism, maritime and offshore jobs (including on cruise ships or freighters), and manufacturing.

The government has designated harmonizing the legislative framework of the country's labor market with the EU standards as one of its primary tasks. The Labor Law defines a single collective agreement for both public and private sectors, maintains the existing level of severance payments, and retains the current 365 days of maternity leave. The employers believe that the current Labor Law does not define their obligations and rights, thus creating various business barriers and making it difficult for them to do business in Montenegro. In order to create a better business environment, employers expect the new Labor Law, to be adopted in 2018, to clarify ambiguities and better regulate this area. All relevant business associations in Montenegro, led by AmCham, signed the Memorandum of Understanding in November 2014 to provide collective input on the draft legislation and agreed that the issue of monetary claims submitted by employees should have a statute of limitations. Also, the procedure for establishing violations of workplace order should be simplified and stipulated only by the Labor Law.

Substantial amendments to existing legislation and timely adoption of the necessary by-laws are needed to align legislation on workplace health and safety more closely with the EU. The Ministry of Labor prioritized strengthening its administrative capacity and its inspection department and establishing a workplace safety agency.

The Law on Peaceful Resolution of Labor Disputes was adopted in December 2007. It introduces out-of-court settlements of labor disputes.

The Law on the Employment of Nonresidents took effect on January 1, 2009, and mandates the government to set a quota for nonresident workers in the country. In December 2017, the government adopted a decision on determining the number of work permits for foreigners for 2018, establishing the quota at 18,000 work permits. Procedures for hiring foreign workers have been simplified, and taxes for nonresident workers have been significantly decreased to help domestic companies that are experiencing problems engaging domestic staff, particularly for temporary and seasonal work.

The Law on Foreigners in Montenegro came into force on April 1, 2015. At the beginning of March 2016, amendments suggested by AmCham Montenegro and business organizations (including the Montenegrin Employers' Federation, Montenegrin Chamber of Economy, Montenegro Business Alliance, Montenegrin Foreign Investors Council) were adopted that improve and liberalize Montenegro's business environment. According to changes to the law, businesses are no longer required to provide official records proving that the company was unable to hire Montenegrin nationals with the required skills before hiring foreigners.

Changes were also made to the Law on Pensions and Care of Invalids in 2010, primarily in the area of gradually increasing the age of retirement from 65 to 67 years (both for men and women) by 2042. These revisions are designed to eliminate anticipated shortfalls in the pension fund. The ratio between pensioners and active employees is very low, putting the whole system at risk.

Until 2008, there was only one trade union confederation at the national level in Montenegro, the Confederation of Trade Unions of Montenegro (SSCG). SSCG is the successor of the former socialist trade union and also inherited the property, organizational structure, and rights to

participation in the tripartite bodies on the national level. As of 2008, a new confederation, the Union of Free Trade Unions of Montenegro (USSCG), split away from SSCG.
All international labor rights are recognized within domestic law, such as freedom of association, the elimination of forced labor, child labor employment discrimination, minimum wage, occupation safety and health, as well as weekly working hours.

12. OPIC and Other Investment Insurance Programs

Montenegro, through the State Union of Serbia and Montenegro, became eligible for OPIC programs in July 2001. OPIC activities in Montenegro include: insurance for investors against political risk, expropriation of assets, damages due to political violence and currency convertibility, and insurance coverage for certain contracting, exporting, licensing, and leasing transactions. OPIC also established the Southeast Europe Equity Investment Fund that is managed by Soros Management. More information on these programs can be found on OPIC's website https://www.opic.gov /

13. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source		**USG or international statistical source**		**USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other**
Economic Data	**Year**	**Amount**	**Year**	**Amount**	
Host Country Gross Domestic Product (GDP) (M USD)	2015	USD 4,053	2016	USD 4,374	www.worldbank.org/en/country
Foreign Direct Investment	**Host Country Statistical source**		**USG or international statistical source**		**USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other**
U.S. FDI in partner country (M USD , stock positions)	2015	USD 1	2016	USD 1	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm

Host country's FDI in the United States (M USD , stock positions)	2015	N/A	2016	N/A	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Total inbound stock of FDI as % host GDP	2015	N/A	2016	N/A	

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			**Outward Direct Investment**		
Total Inward	4,340	100%	Total Outward	N/A	N/A
Italy	633	15%			
Russian Federation	496	11%			
United Arab Emirates	297	7%			
Republic of Serbia	246	6%			
Cyprus	201	5%			
"0" reflects amounts rounded to +/- USD 500,000.					

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets					
Top Five Partners (Millions, US Dollars)					
Total		**Equity Securities**		**Total Debt Securities**	
All Countries	100%	All Countries	100%	All Countries	100%
No Data Available					

14. Contact for More Information

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